

<p style="text-align: center;">Appendix K OUT-OF-STATE GROUPS</p>

Receipt of Out-Of-State Contributions: A committee registered under the Michigan Campaign Finance Act may accept contributions from out-of-state contributors. A statement must be included with any out-of-state contribution if the contributor is not an individual and the contributing group is not registered as a committee under the Act. The statement must include the date the contribution was made, the amount of the contribution, the full name and address of each person or committee contributing to the contribution and the occupation, employer and principal place of business of each person contributing \$100.01 or more of the contribution. The statement must also include language to the effect that the contribution involved was not made from an account containing funds provided by a corporation, joint stock company, labor organization, domestic dependent sovereign or any other source prohibited in Michigan. An officer of the contributing group or other contributing person must certify that the statement is true and correct.

A committee registered under the Act may not accept a contribution from an out-of-state group unless the statement is submitted with the contribution. Information from the statement must be included in the next Campaign Statement owed by the recipient committee.

Out-of-State Groups Covered by Campaign Finance Act: Michigan's Campaign Finance Act requires a group operating out-of-state to form and register a Michigan committee within 10 calendar days after it receives or spends \$500.00 or more in a calendar year to influence voters for or against the nomination or election of one or more candidates in Michigan or the qualification, passage or defeat of one or more ballot questions in Michigan. Contributions that apply toward the \$500.00 threshold include contributions to Candidate Committees as well as any contributions made to Independent, Political, Political Party and Ballot Question Committees.

To register, the committee must file a Statement of Organization form. After registering, the committee must file periodic Campaign Statements as required to disclose its political activity. A Committee that receives a contribution from an out-of-state group or organization is urged to advise them of the registration and reporting requirements of the Act.

Out-of-State Treasurer, Depository, and Office: The Michigan Campaign Finance Act (MCFA) allows an out-of-state committee to have a treasurer who does not reside in Michigan and a depository that is not located in Michigan if the committee does not conduct business through an office or facility located in Michigan. An out-of-state committee that has a treasurer who is not a Michigan resident must complete the "irrevocable written stipulation" on its Statement of Organization. The stipulation must agree that 1) any legal process affecting the committee which is served on the Secretary of State or an agent designated by the Secretary of State will have the same effect as if personally served on the committee and 2) that the appointment will remain in force as long as any liability of the committee remains outstanding in Michigan. The committee treasurer must sign the statement.

Itemization of Contribution and Expenditures: A Political Action Committee (PAC) registered under Michigan's Campaign Finance Act may not receive lump sum fund transfers from a "parent" committee registered under federal law or the laws of any other state. It may, however, receive itemized contributions. A Michigan PAC is commonly referred to as an "affiliate PAC" if it receives fund transfers from a "parent" committee registered under federal law or the laws of another state.

Itemized fund transfers received by an affiliate PAC from a parent committee may be disclosed under the Campaign Finance Act through the "Last-In-First-Out" (LIFO) accounting method or any other reasonable accounting method. Under the LIFO accounting method, the amount transferred is attributed to the most

recent contributors to the account from which the funds were drawn. Persons designated as contributors of funds transferred into the affiliate PAC's depository need not reside in or be located in Michigan. However, they must be eligible under Michigan Law to contribute to the affiliate.

An out-of-state PAC that registers in Michigan and qualifies to keep its funds in an out-of-state depository is not required to have a separate account from which to make expenditures in Michigan. Expenditures to Michigan candidates, PACs, Political Party Committees or Ballot Question Committees may be made directly from the committee's out-of-state account and reported through the LIFO accounting method or any other reasonable accounting method. The campaign statement filed by the committee would itemize on the Receipts Schedule only the receipts (based on LIFO or any other reasonable accounting method) making up the expenditures made in assistance of, or in opposition to, Michigan candidates, committees, and ballot issues. The Expenditure Schedule would itemize only the expenditures made in assistance of, or in opposition to, the nomination or election of Michigan candidates, or the qualification, passage, or defeat of a Michigan ballot question. Therefore, the total amount of contributions reported on the Receipts Schedule will equal the total amount of expenditures reported on the Expenditure Schedule, and the Summary Page will reflect a zero ending balance.

Contributions received by a MCFA committee must conform with the requirements of Section 55 (6). Therefore, an out-of-state PAC or a federal PAC that collects automatic contributions, including through payroll deduction, must comply with the annual affirmative consent requirement for those funds that are used to make expenditures to support or oppose state and local candidates or ballot questions in Michigan. Contributions from individuals who have not provided annual affirmative consent may not be used.

Certification for Contributions Received on an Automatic Basis: A Candidate Committee, Political Party Committee, Independent or Political Committee shall not accept a contribution from an out-of-state committee which receives contributions on an automatic basis, including, but not limited to a payroll deduction plan, unless the contribution is accompanied by a statement certified as true and correct by an officer of the contributing person, with language to the effect that all contributions received on an automatic basis are in full compliance with Section 55. The certified statement must be provided to the recipient committee along with the contribution. The treasurer of the recipient committee must retain the certified statement in the committee's records.

The statement is not required if the out-of-state group making the contribution is registered as a committee under the Michigan Campaign Finance Act.